

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Falmouth Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 14, 2022

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0%, a slight revision to the mortality assumption, and an increase in the COLA base to \$16,000.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Alternative 1a  
7.0% Investment Return  
6.54% Total Cost Increasing  
\$16,000 COLA Base

**Falmouth Retirement System  
January 1, 2022 Actuarial Valuation**

Total cost increases 6.54% per year until FY32 with a final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2023	3,937,583	50,000	6,371,335	10,358,918	75,193,147	
2024	4,114,774	50,000	7,161,386	11,326,160	73,639,339	9.34%
2025	4,299,939	50,000	7,716,952	12,066,891	71,131,410	6.54%
2026	4,493,436	50,000	8,312,629	12,856,065	67,853,471	6.54%
2027	4,695,641	50,000	8,951,211	13,696,852	63,708,701	6.54%
2028	4,906,945	50,000	9,635,681	14,592,626	58,590,514	6.54%
2029	5,127,757	50,000	10,369,226	15,546,984	52,381,671	6.54%
2030	5,358,506	50,000	11,155,250	16,563,757	44,953,316	6.54%
2031	5,599,639	50,000	11,997,387	17,647,026	36,163,930	6.54%
2032	5,851,623	50,000	12,899,519	18,801,142	25,858,201	6.54%
2033	6,114,946	50,000	13,865,790	20,030,736	13,865,790	6.54%
2034	6,390,119	50,000		6,440,119	0	-67.85%

Appropriation payments assumed to be made on July 1 of each fiscal year  
 Normal cost assumed to increase 4.5% per year  
 Assumed expenses of \$1,050,000  
 FY23 amount maintained at level of current funding schedule